(c) if so, what ia the reaction of *tho* Central Government thereto and what fur. ther efforts Government are making to •ave the silk industry in the country?

THE MINISTER OF STATE OF THE AffINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN); (a) to (c) Government of Karnataka has repre sented for imposition of ban on import of raw silk. However, in view of fact that ALS|REP schemes are export promotion schemes of Government of India and im port of silk under these schemes is allowed only for or against exports of silk items k has not been considered feasible to han import under these schemes. fhe fact that silk production i_n the country hai been steadily increasing and prices of silk in the local market continue to rule at remunerative levels reveals that import of raw silk under these schemes does not have an adverse effect on domestic pro duction.

Raids conducted by the Income Tax Department in Bombay

1309. SHRI BHAGATRAM MANHAR: Wai the Minister of FINANCE be pleased to state:

(a) whether it is a fact that large num ber of companies and premises of Raheja group of companies were raided by the lncome-tax Departmtnt, Bombay, recently;

(b) if so, what arc the details theeof; and

(c) whether it is a fact that th» Direo-'ors of the above eroup of companies are trying to influence the officials of the Income-tax Department; if so, what action Government have taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAN-ARDHAN POOJARI); (a) No- Sir.

(b) and (c) Do not arise.

Activities of foreign intelligence agencies along Tripura-Bangladesh border

1310. SHRI MOSTAFA BIN QUASEM;

SHRI K. MOHANAN.

SHRI SUKOMAL SEN;

Will the Ministe.r of EXTERNAL AFFAIRS be pleased te state:

(a) whether Government had taken up the matter regarding increasing activities of CIA and other foreign intelligence agencies like British Special Air Services along the Tripura-Bangladeh border with t"h_e Bang- . ladesh President during his recent visit to this country;

(b) whelher Government have also taken up this matter with the *VS* Government; and

(c) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN): (a) No, Sir.

(b) No, Sir.

(c) Does not arise.

Indianisation of foreign companies

1311. SHRI VISHVAJIT PRITHVIJIT SINGH:

PROF. N. M. KAMBLE; SHRI JAGADISH JANI:

Will the Minister of FINANCE be pleased to state;

(a) what ^{ar}e the criteria to judge Indian isation of foreign companies;

(b) in case there is no change in the absolute control over the affairs of the ex-FERA companies by the Principal Com panies abroad, whether such a company

win al&o be treated as Indianised because of the fact that foreign equity in the company has been diluted to 40 per tent;

(c) what are the details about Ihe control exercise by the Principal companies/of such companies through the provisions of Articles of Association;

(d) whether it is a fact that even after .reduction of equity below 40 per cent such MNCs have the right to appoint the Chairman, Managing Director and 1 /3rd Directors on the Board of Directors; and

(e) whether it is also a fact that certain resolutions cannot be passed by the Board without the affirmative vote of the Directors of the MNCs; jf so, how these companies are being treated at per worth the IOO per cent Indian Companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAN-ARDHAN POOJARI); (a) and (b) Section 29(2) (a) of FERA, 1973 provides that fo company incorporated abroad or an Indian Company having mote than 40 per cent non-resident interest will require RBFs permission for continuing t,3 ca<Ty on its activities of a trading, commercial or industrial nature existing as on 1-1-1974 Guidelines for Administration of this provision of the Act were framed ^d laid on the Tables of both the Houses of Parliament. Under these guidelines, the companies of the above description are required to bring down their foreign shareholding to 74 per cent/51 per cent/40 per cent depending on the nature and character of thei'- activities. The objectives cf the FERA guidelines were to regulate the level of foreign shareholding in companies already operating in India as on 1-1-1974 depending on the nature of their activities, and to minimise the outgo of foreign exchange '" 'he form of Profits and c'ivi-dends Transfer of control to Indian hands is not one of the objectives of FERA. Control of companies is 'a matte,r coming within ihe purview of the Companies Act and is determined primarily by the voting power flowing from the extent of equity holding in the company.

(c) to (e) It may not be advisable to form an opinion on the basis of Article* of Association of only a few former FERA companies. It would be necessary to scrutinise the Articles of all such compan- I sie m order to get a Precise picture of the manner and extent of control exercised through the Article. In any case, these are matters governed by the provisions <jf the Companies Act.

Chinese intrusion into Arunachal Pradcah

1312. DR. BAPU KALDATE:

SHRI M. S. GURUPADA-SWAMY;

SHRl V. NARAYANASAMY:

SHRI J P. GOYAL:

SHRI K. VASUDEVA PANICKER:

SHRI SATYA PRAKASH MALAVTYA;

DR. RATNAKAR PANDEY:

SHRI BHUVNESH CHATURVEDI:

Wil) the Minister of EXTERNAL AFFAIRS be pleased t© state:

(a) whether Government have protested to thc Chinese Government about the intrusion into Arutfachal Pradesh by the Chinese soldiers last month;

(b) if so, when wag the protest lodged; and

!c) what na» been tbe react.oit 0f ino Chinese Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN) (a) Ye», Sir.

(b) the protest was lodged on 26Kb June, 1986;